

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC GAS AND ELECTRIC COMPANY for Authority to Establish its Authorized Rate of Return on Common Equity for Electric Utility Generation and Distribution Operations and Gas Distribution for Test Year 2006. U 39 M

Application 05-05-006
(Filed May 9, 2005)

Application of Southern California Edison Company (U 338-E) for Authorized Capital Structure, Rate of Return on Common Equity, Embedded Cost of Debt and Preferred Stock, and Overall Rate of Return for Utility Operations for 2006.

Application 05-05-011
(Filed May 9, 2005)

Application of San Diego Gas & Electric Company (U 902-M) for Authority to (i) Increase its Authorized Return on Common Equity, (ii) Adjust its Authorized Capital Structure, (iii) Adjust its Authorized Embedded Cost of Debt and Preferred Stock, (iv) Increase its Overall Rate of Return, and (v) Revise its Electric Distribution and Gas Rates Accordingly, and for Related Substantive and Procedural Relief.

Application 05-05-012
(Filed May 9, 2005)

ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

1. Summary

This ruling sets forth the scope, schedule, category, assignment of the presiding officer, and ex parte communication rules for this consolidated

proceeding following a June 16, 2005 Prehearing Conference (PHC), pursuant to Rule 6.3 of the Commission's Rules of Practice and Procedure (Rules).

2. Scope of Proceeding

Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company's (SDG&E) cost of capital applications are consolidated. The issue to be addressed in this consolidated proceeding is PG&E, SCE and SDG&E's test year 2006 cost of capital. Issues impacting the utilities' test year 2006 cost of capital include the appropriate ratio of debt, preferred stock and equity; appropriate costs of debt, preferred stock, and equity; impact of debt equivalency; and, related revenue requirement recovery.

3. Schedule

The schedule for this proceeding is as follows:

Date	Activity
August 8, 2005	ORA and Intervenor Testimony Utilities Supplemental Information ¹
August 24, 2005	Rebuttal Testimony
September 1, 2005	Witness List – Order of Testifying
September 7, 2005	Evidentiary Hearing Starts, Commission Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California
September 8–9, 2005	Evidentiary Hearing Continues, as Needed

¹ See PHC Reporter's Transcript p. 3, line 23 through p. 4, line 6.

September 20, 2005	Late-Filed Exhibit Update Costs of Debt/Stock ²
September 28, 2005	Opening Briefs and Deadline to File a Request for Final Oral Argument
October 6, 2005	Reply Briefs and Proposed Submission Date
November 15, 2005	Proposed Decision Filed
December 15, 2005	Final Decision Issued

The parties shall limit testimony to matters involving the identified issues. All parties shall confer among themselves on the sequence in which their witnesses will testify. PG&E, the first applicant in this consolidated proceeding, is requested to coordinate an agreed-upon witness order list. That witness list should be provided by PG&E to all parties and to the assigned ALJ by September 1, 2005. Any request for final oral argument before the Commission must be made at the same date Opening Briefs are filed.

Our goal is to resolve this consolidated matter no later than December 15, 2005. However, in no event will resolution exceed 18 months from the date of issuance of this scoping memo and ruling, pursuant to Pub. Util. Code § 1701.5(a) filing these applications.

4. Category of Proceeding

This ruling confirms the Commission's preliminary finding in Resolution ALJ 176-3153 (dated May 26, 2005) that this is a ratesetting proceeding, as described in Rule 5(c).

² Comments, if any, on this late-filed exhibit should be included in the opening brief.

5. Assignment of Principal Hearing Officer

ALJ Galvin is the principal hearing officer in this consolidated proceeding, pursuant to Rule 5(l), and will preside over the scheduled evidentiary hearings.

6. Ex Parte Communications

Parties shall comply with the ex parte communications rules set forth in Pub. Util. Code § 1701.3 (c) and Rules 7 and 7.1.

IT IS RULED that:

1. The scope and schedule for this proceeding is set forth herein.
2. The individual cost of capital applications of Pacific Gas and Electric Company (PG&E), Southern California Edison Company, and San Diego Gas & Electric Company are consolidated.
3. All filings in this proceeding shall be filed at the Commission's Docket Office and served either by mail or by Electronic Service Protocols consistent with Rules 2.3 and 2.3.1 of the Commission's Rules of Practice and Procedure.
4. Parties shall serve filings on all appearances listed on the service list, including those identified as Information Only and State Service, and on the Assigned Commissioner and assigned Administrative Law Judge (ALJ).
5. Parties shall coordinate on the sequence in which their witnesses will testify and PG&E shall thereafter provide a copy of an agreed-upon witness order list by letter and/or electronic service protocol to all parties and to the assigned ALJ by September 1, 2005.
6. An evidentiary hearing in the proceeding will be held beginning at 10:00 a.m., September 7, 2005, and continue, as needed, through and including September 9, 2005 in the Commission Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California.

7. Any request for final oral argument before the Commission shall be made by September 28, 2005.

8. Any settlement conference that may occur in this proceeding shall comply with the Commission's Rules on Settlement Conferences.

9. This ruling confirms that this consolidated proceeding is a ratesetting proceeding.

10. The principal hearing officer in this proceeding is ALJ Galvin.

11. Parties shall comply with the ex parte communication rules set forth in Pub. Util. Code § 1701.3(c) and Rules 7 and 7.1 of the Commission's Rules of Practice and Procedure.

Dated June 22, 2005, at San Francisco, California.

/s/ MICHAEL R. PEEVEY

Michael R. Peevey
Assigned Commissioner

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Assigned Commissioner's Scoping Memo and Ruling on all parties of record in this proceeding or their attorneys of record.

Dated June 22, 2005, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.